

MINUTE ITEM

8. (REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, STANDARD OIL COMPANY OF CALIFORNIA, MONTALVO FIELD, VENTURA COUNTY - W. O. 2825.)

After presentation of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT STANDARD OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 735.1 UNTIL FEBRUARY 10, 1959. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE UNDEVELOPED LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR ANY FURTHER CONSIDERATION OF THE DEFERMENT OF DRILLING REQUIREMENTS UNDER THE LEASE.

Attachment

Calendar Item 15 (1 page)

CALENDAR ITEM

OIL & GAS

15.

(REQUEST FOR DEFERMENT OF DRILLING REQUIREMENTS, STANDARD OIL COMPANY OF CALIFORNIA, MONTALVO FIELD, VENTURA COUNTY - W. O. 2825.)

Oil and Gas Lease P.R.C. 735.1, issued June 30, 1952 to the Standard Oil Company of California pursuant to competitive public bidding, provides in part that upon completion of a well the lessee shall commence operations for the drilling of a succeeding well within 30 days until there is drilled within the leased area one well for each 20 acres if production is obtained from a depth greater than 6,000 feet.

A request has been received from the Standard Oil Company of California for a one year deferment of drilling requirements in order to review and evaluate geological and engineering information to determine the economic feasibility of further development of the lease.

Since January 1, 1953 when drilling operations were commenced, 12 wells have been drilled into the lease from upland drillsites. One well is currently being drilled. The productive sands within the leased area as determined by this development work cover approximately 225 acres. All wells were drilled to a depth greater than 6,000 feet. Two were unproductive. Two of the originally productive wells have been shut in recently due to the fact that they are no longer capable of sustaining commercial production.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT STANDARD OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING REQUIREMENTS UNDER OIL AND GAS LEASE P.R.C. 735.1 UNTIL FEBRUARY 10, 1959. THE GRANT OF DEFERMENT IS TO BE SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE UNDEVELOPED LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR ANY FURTHER CONSIDERATION OF THE DEFERMENT OF DRILLING REQUIREMENTS UNDER THE LEASE.